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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:)	Chapter 11
REZA ATHARI)	Case No. 2:14-bk-10723-abl
FATANEH R. ATHARI)	STATUS REPORT
)	Hearing: March 5, 2014
Debtor.)	Time: 11:00 a.m.

Debtors-in-Possession Reza Athari and Fataneh Athari, (hereafter "Athari" or "Debtor") by and through their undersigned counsel, respectfully file the following "Status Report" related to and arising from the above-captioned Chapter 11 bankruptcy case.

I. Background

Reza Athari and Fataneh Athari are husband and wife who reside in Las Vegas, Nevada. Mr. Athari is an attorney licensed to practice law before all federal and state courts in the State of Nevada. Mr. Athari is an AV rated pre-eminent immigration attorney who operates Reza Athari & Associates, P.L.L.C., which has satellite offices in

multiple states including Utah and California. Mr. Athari has operated a successful law firm for decades and hopes to continue that operation through reorganization under Title 11 of the United States Bankruptcy Code. Mr. Athari has an associated Chapter 11 bankruptcy case pending entitled "*In re: Reza Athari & Associates, P.L.L.C.*" with case number 2:14-bk-10724. Information provided in this Status Report is relevant to the the status of Reza Athari & Associates, P.L.L.C. bankruptcy case.

II. Events Leading to the Commencement of this Case

a. State Court Lease Litigation

Mr. Athari has experienced the ebb and flow in the practice of law over the decades. Over the past few years, Mr. Athari has leased office space to accommodate his growing immigration practice. In addition, at one point, Mr. Athari purchased a commercial office building that presently houses the United States Immigration Court in Las Vegas. In recent years, Mr. Athari has had to vacate one or more under utilized commercial spaces due to the prevailing economic climate. With respect to one particular commercial space, Mr. Athari vacated a space due to the fact that mold was present at the location and the landlord was unwilling to remedy the situation. Needless to say, Mr. Athari is involved in state court commercial litigation concerning these vacated commercial spaces. The ongoing attorneys fees has taken a toll on the otherwise profitable immigration law practice.

B. Three Empty Commercial Office Buildings in North Las Vegas

In addition to the foregoing, over the past few years, Mr. Athari developed additional commercial office buildings in North Las Vegas for which he is personally obligated. Due to the decline in the local economy, Mr. Athari has been unable to lease three commercial buildings for which the monthly principal and interest payment is in excess of \$20,000.00, with no sign of market improvement. The referenced buildings are empty of tenants. Because Mr. Athari is unable to pay the required monthly payments to the lender on the North Las Vegas commercial office buildings, the same will be surrendered and foreclosed whereupon a seven figure deficiency claim may be

1 claimed against Mr. Athari personally

2 c. Multi-State Immigration Practice and Offices

3 In addition to the lease litigation and the North Las Vegas office buildings, Mr.
4 Athari has satellite offices in San Diego, California, St. George, Utah, and Salt Lake
5 City, Utah. Due to the general economic malaise, the profitability of these satellite
6 offices ebb and flow. Mr. Athari is confident that with continued time, these satellite
7 office will be profitable. These satellite office are associated with the associated
8 debtor-in-possession, Reza Athari & Associates, P.L.L.C., which in turn will decide in
9 part income available to Mr. Athari in this bankruptcy case.

10 III. Status of the Plan of Reorganization

11 Mr. Athari is optimistic about a successful reorganization in this case. At the
12 present time, Mr. Athari and his accountant are analyzing the facts and figures arising
13 from his primary office building as well as the the income and expenses relating to the
14 satellite offices. Within the next 90 days, the Debtor will be filing a disclosure
15 statement and plan of reorganization that will contemplate a reorganization of assets
16 and liabilities with secured creditors potentially modifying their claims and granting Mr.
17 Athari additional time to pay arrearages. At the same time, Mr. Athari will be making
18 important decisions regarding the surrender of one or more commercial properties
19 together with the possibility of closing an satellite office. These considerations and
20 evaluations will be fully developed in the forthcoming disclosure statement.

21 IV. Initial Budget

22 Mr. Athari will be filing an verified petition to appoint Paul M. Healy, CPA, as the
23 accountant this will calculate and document the profit and losses in this bankruptcy
24 case. From the commencement of this case on February 3, 2014, the Debtor has
25 established a debtor-in-possession account and ordinary operating expenses are being
26 paid. Mr. Athari draws a salary from Reza Athari & Associates, P.L.L.C. from which he
27 pays his house payment, home and living expenses in an amount consistent with his
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1 Statement of Financial Affairs filed in this case. As Mr. Healey calculates the actual
2 and necessary expenses of both Mr. Athari as well as the companion debtor, Reza
3 Athari & Associates, P.L.L.C., a definitive budget is forthcoming and will be presented
4 to the court shortly.

5 V. Conclusion

6 Mr. Athari is optimistic about the prospect of a successful reorganization. He
7 has a history of income production. He has strategically placed assets that generate
8 income to cover their respective, secured debt obligations. Those secured assets that
9 do not generate sufficient income to support the associated debt will be surrendered to
10 the respective lenders. Good cause exists to believe that Mr. Athari has a viable
11 chance to confirm a Chapter 11 Plan of Reorganization.

12 Dated this 4th day of March, 2014.

13 OWENS & PYPER, P.L.C.

14 /s/ Mark B. Pyper

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16 Mark B. Pyper
17 Attorneys for Debtors-in-Possession
18 Reza & Fataneh Athari
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